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Analysis: U.S. refineries still need to trim capacity

(Reuters) - Atlantic Basin refineries remain most at risk for closure as refiners cut more capacity to balance supply with still-weak demand for gasoline and other oil products, but refineries in other parts of the United States are not immune.

The global economy is expected to show signs of recovery in 2010 and oil demand is predicted to grow but key gasoline demand in the world's largest oil consumer is not expected to return to its 2007 peak.

"Refineries at risk are not just in the Atlantic Basin," said Mark Routt, senior staff consultant with the economics unit of Texas-based consultants, KBC Advanced Technologies.

"Small refiners will find it increasingly difficult to compete against economies of scale available to larger rivals. So, too places in Canada and even the U.S. Pacific Coast where there are several refineries are also under pressure."

#### Gulf of Mexico's Deepwater Oil Industry Is Built on Pillars of Salt

Moore, while at Anadarko Petroleum Corp., was one of the earliest geologists to probe beneath the Gulf's salt, helping discover the Mahogany oil reservoir, the region's first producing subsalt field, after burrowing through 3,825 feet of salt in the early 1990s. The productivity of these salt-based fields could prompt a re-evaluation of peak oil's arrival, he said.

"If the volumes are there, this will be a significant addition to the world's resources," he said.

#### Centrica's East Yorkshire gas storage project on hold

Plans for an onshore gas storage facility in East Yorkshire by the British Gas owner, Centrica, have been put on hold. The company said a lack of clarity over regulator Ofgem's access rights rules meant they were not in a position to proceed with the project at present.

#### Peak Oil – Who's Using it all up?

However, it is the Indian/Chinese/Japanese bloc which should give rise to sleepless nights. This area is accelerating its oil consumption at ever increasing rates, far higher than North America, Europe and the rest of the world, but has very few oil reserves. Don't forget, when the Japanese attacked Pearl Harbor in 1941, for them it was a war to secure natural resources in the Pacific, (what US administrations now refer to as "energy security"). Will this same pattern repeat itself?

#### Second Gulf spill spreads

A separate spill has spread to cover about six square miles in the US Gulf of Mexico as oil continues to shoot as much as 100 feet into the air from a damaged wellhead.

#### Fallout from Enbridge oil spill spreads

CALGARY -- As Enbridge Inc. scrambled Wednesday to get a damaged section of oil pipeline in Michigan back into service, it said it will also move to deal with concerns from opponents of its proposed Northern Gateway pipeline to the British Columbia coast.

The Calgary-based company said Wednesday it will be days before it can get the section of the line in Michigan back into service as it begins to assess the cause of the rupture and cleans up crude fouling a river.

#### Analysis: Oil companies more cautious on storms after Gulf spill

(Reuters) - Heightened caution following the BP oil spill is prompting oil and gas producers in the Gulf of Mexico to shut more production faster as storms threaten, exacerbating energy price volatility this hurricane season.

Comparing producers' precautions ahead of storms this year with preparations for more severe storms in previous years indicates that companies are taking tropical threats more seriously, even though predictions of a harsh hurricane season have yet to be borne out.

#### BP's missed opportunity on executive pay

As BP struggles to repair its severely tarnished reputation, analysts say reforming the way it pays senior executives could send a powerful message.

"Compensation for CEOs and other senior managers is the single best way to ensure that a company puts its money where its mouth is in terms of corporate values," said Nick Kalm, president of corporate consulting group Reputation Partners. "BP will have missed a major opportunity if compensation is not tied in a meaningful way to safety."

# 'Greenwashing' no longer enough for businesses

For more than a decade, BP had flooded the media with advertisements showing solar panels, windmills and waving fields of grass without a drop of oil in sight. It changed its name, KFC-style, from British Petroleum to BP to de-emphasize its claim to fame: hydrocarbons. The company adopted a stylized green sun as its logo and rolled out the slogan "Beyond Petroleum."

But when the company's Deepwater Horizon offshore well began blowing tens of thousands of barrels of crude into the Gulf of Mexico each day, no outlay of advertising dollars could change the cold, hard facts: The company that had cultivated the greenest image in the oil industry still derived more than 99 percent of its revenues from gas and petroleum. For consumers who had been fed the image of the company out tending windmills, the revelation was almost as shocking as the images of oil-soaked pelicans.

# California's clean energy future threatened by federal delays, state officials say

The U.S. Department of Energy is accused of foot-dragging in approving loan guarantees to finance several major projects worth an estimated \$30 billion.

# Botanical Gardens Look for New Lures

For the last quarter century, the Cleveland Botanical Garden went all out for its biennial Flower Show, the largest outdoor garden show in North America. With themed gardens harking back to the Roman empire, or an 18th-century English estate, the event would draw 25,000 to 30,000 visitors.

But in 2009, the Flower Show was postponed and then abandoned when the botanical garden could not find sponsors. This year, the garden has different plans. From Sept. 24 to 26, it is inaugurating the "RIPE! Food & Garden Festival," which celebrates the trend of locally grown food — and is supported in part by the Cleveland Clinic and Heinen's, a supermarket chain.

"The Flower Show may come back someday, but it's not where people are these days," says Natalie Ronayne, the garden's executive director. "Food is an easier sell."

#### Why were resources expunged from neo-classical economics?

Something strange happened to economics about a century ago. In moving from classical to neo-classical economics — the dominant academic school today — economists expunged land — or natural resources. Neo-classical value theory — based on marginalism and subjective valuation — still makes a great deal of sense. Expunging natural resources from the way economists think about the world does not.

## No friends? It's worse for your health than being fat

"For instance, trends reveal reduced intergenerational living, greater social mobility, delayed marriage, dual-career families, increased single-residence households, and increased age-related disabilities," they wrote.

"More specifically, over the last two decades there has been a three-fold increase in the number of Americans who report having no confidant," they added.

"Such findings suggest that despite increases in technology and globalization that would presumably foster social connections, people are becoming increasingly more socially isolated."

## A snatch of old song

Scything, largely thanks to Simon, is undergoing a renaissance in Britain. Scythes were used here from Anglo-Saxon times right up until the 1940s, initially to mow grass for haymaking and later also to mow cereal crops. They were operated by large mowing teams in the summer months and they were, and are, a terrific example of what used to be called 'appropriate technology.' The wooden handles, known as snaths, can be made anywhere there are trees by any competent woodworker, and the blades can be made by any blacksmith. They're a genuinely pre- and post-modern tool, and will doubtless be around long after the Flymo has faded into legend. Keep the blade honed and peened, and know how to use them, and you have probably the most efficient and effective tool for cutting grass ever developed. This is proven entertainingly year after year at the Somerset Scythe Festival where the annual 'scythe versus strimmer' contest is always won by the scythe.

## India's new dams threaten Pakistan's farming sector

The World Bank, which had been a party to the original treaty, appointed a Swiss civil engineer to arbitrate the technical aspects. In 2007, the engineer released his findings. While modifying some of the project's design, he found technically that India's argument was sound and ruled in its favour as far as the spillway gates were concerned.

As a result, Pakistan lost its single assurance that India would not manipulate the flow of

water. And, now that it had the capability, India used it. To quote a recent article by John Briscoe, a former senior adviser to the World Bank who has worked on water issues on the subcontinent for 35 years: "This vulnerability was driven home when India chose to fill Baglihar exactly at the time when it would impose maximum harm on farmers in downstream Pakistan."

Michigan oil spill Enbridge's 'highest priority'

A serious pipeline leak in Michigan has cast a dark shadow over what would otherwise have been an upbeat financial report from major oil and gas pipeline operator Enbridge Inc. on Wednesday.

The Canadian company said crews are doing their utmost to deal with a spill of about three million litres of oil, which has affected the Kalamazoo River in Michigan.

# Top 7 suppliers of oil to the US

Really big oil: Where does the US get its crude? Here's what you need to know.

# Saudi Aramco Awards Yanbu Refinery Works to Tecnicas, Daelim Industrial

Saudi Aramco, the biggest state- owned oil company, awarded contracts at the planned 400,000 barrel-a-day Yanbu refinery in Saudi Arabia to companies including Tecnicas Reunidas SA and Daelim Industrial Co.

Tecnicas Reunidas will do work on the coker unit, Daelim will build the gasoline and hydrocracker units and SK Engineering & Construction Co. will work on the crude unit, Saudi Arabia's state oil company said today in a statement. Tecnicas said separately it got \$700 million contract.

# Global lands Pemex pipeline contract

US-based Global Industries has won a \$40 million contract from state-run Pemex for pipeline work in its Ku-Maloob-Zaap field in the Bay of Campeche.

# BP to Pay Estimated \$60MM in Advance Payments

BP estimates it will pay at least \$60 million in advance payments in August to claimants across the Gulf Coast who have lost income or net profit due to the oil spill in the Gulf of Mexico.

BP, which has paid \$256 million to date for claims including \$30 million in the last seven days, will start making the advance payments by the end of this week. Claimants will receive their check about 30 days after they received their July payment.

#### Bangladesh and India sign electricity deal

DHAKA, Bangladesh (UPI) -- Bangladesh and India signed a power transmission agreement Monday for electricity to be imported to energy-starved Bangladesh.

Initially, 250 megawatts of power would be available to Bangladesh from India, with transmission to start in 2012.

## Homeowners face £277 fuel-bill hike: Move towards 'green energy' will come at a price

Plans to tackle climate change will add  $\pounds$ 277 to annual household fuel bills unless consumers give their homes a 'green makeover', ministers warned yesterday.

Energy and Climate Change Minister Chris Huhne admitted the massive expansion of wind farms across Britain – along with clean coal power stations – will send electricity and gas prices soaring.

But Mr Huhne claimed that the price increases would be offset by government plans to improve the energy efficiency of millions of British homes.

## "Brilliant": Prepare for the fluorescent future

# In the book you argue that a more brightly lit street isn't necessarily a safer street. Why is that?

There was a big study in Illinois that showed that a reduction of street light reduced the amount of crime; it also increased the amount of crime that happened during daylight hours. We automatically assume that a well-lit street is safer, but I'm not sure if that basic assumption holds. A lot of cities thought stationary oil lanterns would hinder crime when they were first set up, but there were several cities, including Cologne and Birmingham in Britain who refused to put out streetlights because they thought it would aid and abet criminals. Absolute dark isn't safe but neither is absolute brilliance. The more light we have, the more light we feel we need to be safe.

#### Canning preserves summer's bounty for colder seasons ahead

"If you have your own vegetable garden, if you're shopping at farmers markets or if you

belong to a CSA [Community Supported Agriculture farm share program], you're going to end up with more than what you need," she says.

What to do with the excess is the subject of "Saving the Seasons: How to Can, Freeze or Dry Almost Anything," a new book Meyer edited for her employer, Herald Press, the mainstream publishing arm of the Mennonite Publishing Network, with offices in the United States and Canada.

## Mitsui Says Oil Tanker Possibly Attacked Near Hormuz

Mitsui O.S.K. Lines Ltd., operator of the world's second-largest oil-tanker fleet, said one of its ships may have been attacked near the Strait of Hormuz, deemed by the U.S. to be the most important chokepoint for oil supply.

An explosion, which "may have been caused by an external attack," occurred at 5:30 a.m. Tokyo time, slightly injuring one of the crew of 31, Mitsui said in a statement. The vessel, M. Star, is on its way to Fujairah in the United Arab Emirates to assess the damage and no oil is leaking, Mitsui said.

## Oil dips to near \$77 after surprise US supply jump

Oil prices dipped to near \$77 a barrel Wednesday after a report showed U.S. crude supplies unexpectedly rose last week, suggesting demand remains weak.

...Crude inventories jumped 3.1 million barrels last week, the American Petroleum Institute said late Tuesday. Analysts had expected a drop of 2.3 million barrels, according to a survey by Platts, the energy information arm of McGraw-Hill Cos.

Supplies of gasoline and distillates also rose, the API said.

# Oil May Rise Only as Far as \$80 Fibonacci Resistance

Crude oil, which fell the most in more than three weeks yesterday, remains in a rising channel on technical charts and will continue to face resistance near \$80 a barrel, according to Societe Generale SA.

## Jeff Rubin: China's energy consumption a zero-sum game

It wasn't sheer coincidence that last year marked two pivotal events in the world's vehicle industry. In 2009, China became the largest car market in the world, while in the same year there were four million fewer vehicles on the road in the United States. In a world where the supply of economically viable oil has peaked, or is, at best, growing

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marginally, driving has suddenly become a zero-sum game.

That means that if millions of new drivers are about to get on the road in China, then somehow millions of other drivers will have to get off somewhere else. Last year, that's exactly what happened in America for the first time since World War II. And unless T. Boone Pickens is miraculously able to convert the American vehicle stock to natural gas –powered engines, some 40 million other vehicles in the U.S. will similarly be taking the exit lane over the next decade.

## Refining Hits 10-Week High as Japan Starts Idled Factories

Oil refining in Japan, the world's third-largest consumer of crude, rose to a 10-week high as producers resume operations after maintenance shutdowns.

## China lifts its gas use in first half

China's use of natural gas jumped by 22 per cent in the first half of the year from the previous six months, government figures showed yesterday, propping up a global industry that has seen a supply glut push down prices.

China's insatiable demand for energy has steered the direction of the world oil market for years but the country's power industry and manufacturing are now turning increasingly to gas, with a new emphasis on shipping in the fuel from Qatar and other Gulf states. Chinese demand for tanker imports will increase fourfold by 2020, according to a study released yesterday. That could make up for the weaker-thanforecast growth in US demand and a flat outlook for liquefied natural gas (LNG) in Japan and South Korea.

## China, India shift to gas for clean growth

Asia is boosting consumption of liquefied natural gas (LNG) relative to oil as nations from China to India try to pollute less while driving economic growth.

## Shell's Impact in Australian Oil, Gas `Only the Beginning,' Goldman Says

Royal Dutch Shell Plc is set to have an even bigger impact in Australia in the next year, potentially joining with Santos Ltd. to develop a gas project in Queensland and selling its refining assets, Goldman Sachs JBWere said.

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#### Chevron in Australia native land title deal for plant

(Reuters) - Chevron Corp has signed a preliminary agreement with a group of native land owners in western Australia that will allow it to construct a liquefied natural gas processing plant, it said on Wednesday.

## UK gas halts slide as maintenance restricts supply

LONDON (Reuters) - Prompt British gas prices were firm on Wednesday as terminal maintenance restricted supply, while forward contracts were mixed on more scheduled North Sea field and pipeline outages and liquefied natural gas imports.

## Reliance Profit Growth May Peak on Failure to Raise Gas Output

Earnings growth at Reliance Industries Ltd., India's largest company by market value, may slow from the fastest pace in more than two years as the company falls behind schedule to increase gas production, investors said.

#### ENI announces energy venture with Egypt

MILAN (AFP) – Italian energy group ENI said on Wednesday it had signed an agreement with Egypt on the production and transportation of oil and gas which would raise Egypt's profile as a supplier to the Middle East and Mediterranean region.

ENI and the two Egyptian state-owned oil companies EGPC and EGAS will establish a joint venture and work together on oil and gas upstream activities in Iraq and Gabon, the Italian company said late on Tuesday.

# Shell Conducting Repairs at Australia Refinery; Unit Still off After Fire

Royal Dutch Shell Plc, Europe's largest oil company, says it's carrying out maintenance at its Geelong refinery in Australia, declining to provide details of what units are being serviced.

"The facility is still functioning," Paul Zennaro, Melbourne-based spokesman for Shell, said by telephone today. The bitumen unit, damaged in a May fire, remains offline and it isn't known when it will return to service, he said.

## Formosa Says 1-2 Weeks Before Two-Thirds of Oil Refinery Online After Fire

Formosa Petrochemical Corp., Taiwan's only publicly traded oil refiner, said it may need one to two weeks to have two-thirds of its Mailiao oil refinery fully operational after a fire damaged a unit three days ago.

#### Enbridge posts 19% profit rise

Canadina pipeline player Enbridge said today that second-quarter operating profit rose 19%, driven by growth in both its natural gas delivery and oil pipeline businesses.

## Congress Set to Tackle Oil Spill Liability, Drilling Safety

U.S. Senate Democrats are set to unveil a slimmed-down energy bill Tuesday aimed at reforming offshore drilling, but House lawmakers are taking up a tougher bill on Friday that adds another hurdle to get a bill signed into law this year.

U.S. Senate Majority Leader Harry Reid plans to pass a bill before lawmakers leave for their summer recess next week, focusing on holding BP Plc accountable for its massive oil spill. Debate on the Senate bill could begin as soon as Thursday.

## U.S. readies criminal probe of oil spill-report

(Reuters) - Several U.S. government agencies are preparing a criminal probe of at least three companies involved in the massive oil spill in the Gulf of Mexico, though it could take more than a year before any charges are filed, the Washington Post reported on Wednesday.

## BP gets "wake-up call" and \$32 billion in spill charges

LONDON/HOUSTON (Reuters) – BP Plc's newly named chief executive on Tuesday called the Gulf oil spill a "wake-up call" for the entire industry as the company tallied up its losses and disclosed two U.S. investigations.

Bob Dudley, who will replace gaffe-prone Tony Hayward as chief executive on October 1, said safety would be among his highest priorities as the first American to lead BP tries to refurbish the British oil company's battered reputation.

## New CEO Dudley faces daunting task at BP

BP has been here before. Hayward himself was named to succeed a predecessor who oversaw a series of safety lapses that culminated in a blast at a refinery in Texas City, Texas, that killed 15 people in 2005.

Now, Dudley will embark on the clean-up of a company saddled with huge liabilities, a broken corporate culture, strained government relations and a badly damaged brand.

#### 'Demonised' BP boss sparks fresh US anger on exit

LONDON (AFP) – BP's outgoing chief executive Tony Hayward was the target of fresh US anger Wednesday after claiming he had been "demonised and vilified," threatening efforts to draw a line under the Gulf oil spill.

The comments by Hayward, who resigned Tuesday following his heavily criticised handling of the Gulf of Mexico disaster, drew renewed criticism from Washington as BP struggles to restore its reputation after the spillage.

#### BP CEO change won't diminish Gulf response: govt

HOUSTON (Reuters) – The top U.S. official overseeing the response to BP Plc's Gulf of Mexico oil leak said on Tuesday he doesn't expect the company's commitment to cleaning up the spill to be diminished with its change in leadership.

"I don't see any diminishing of performance or priorities," retired Coast Guard Admiral Thad Allen said of BP's earlier announcement that Bob Dudley, who has been BP's top executive handling the spill response, will replace Chief Executive Tony Hayward on October 1.

## Lift 'reckless' oil drilling ban, Gulf residents plead

WASHINGTON (AFP) – President Barack Obama's "reckless" moratorium on deepwater drilling in the Gulf of Mexico is suffocating small businesses and destroying livelihoods, lawmakers and residents said Tuesday.

"The decision to stop energy exploration in the Gulf of Mexico appears to have been made in an uninformed manner that borders recklessness," Democratic Senator Mary Landrieu told the small business committee, which she chairs.

## X Prize to offer millions for Gulf oil cleanup solution

SAN FRANCISCO (AFP) – The X Prize Foundation launches a competition this week promising millions of dollars for winning ways to clean up crude oil from the BP spill in the Gulf of Mexico.

The nonprofit group will hold a press conference in Washington on Thursday to reveal details of an Oil Cleanup X Challenge inspired by the disaster.

NEW ORLEANS – In the nearly two weeks since a temporary cap stopped BP's gusher at the bottom of the Gulf of Mexico, not much oil has been showing up on the surface of the water.

Scientists caution that doesn't mean the crude is gone. There's still a lot of it in the Gulf, though no one is sure quite how much or exactly where it is.

#### BP Oil Is Dissipating, Easing Threat to East Coast

Oil from BP Plc's record spill in the Gulf of Mexico is biodegrading quickly, probably eliminating the risk that crude will go around Florida and hit the U.S. East Coast, the National Oceanic and Atmospheric Administration said.

Oil has been dissipating through evaporation since BP stopped the flow from its Macondo well off the coast of Louisiana on July 15, NOAA Administrator Jane Lubchenco told reporters yesterday on a conference call. Crude that's dispersed into the sea is being gobbled up by bacteria, she said.

#### On the Surface, Gulf Oil Spill Is Vanishing Fast; Concerns Stay

The oil slick in the Gulf of Mexico appears to be dissolving far more rapidly than anyone expected, a piece of good news that raises tricky new questions about how fast the government should scale back its response to the Deepwater Horizon disaster.

#### Gulf spill has not fouled most beaches but hurts tourism

The massive Gulf of Mexico oil spill has not fouled the vast majority of the area's beaches but is still scaring tourists away, according to a report to be released Wednesday.

## 100 Days Into Spill, Gulf Life Forever Changed

(AP) A hundred days ago, shop owner Cherie Pete was getting ready for a busy summer serving ice cream and po-boys to hungry fisherman. Local official Billy Nungesser was planning his wedding. Environmental activist Enid Sisskin was preparing a speech about the dangers of offshore drilling.

Then the oil rig Deepwater Horizon exploded off the coast of Louisiana, and in an instant, life along the Gulf Coast changed for good.

## Appeals Court Rejects Effort to Create Hybrid Taxi Fleet

The Bloomberg administration's years-long attempt to force the city's cab owners to switch from gas guzzlers to hybrid vehicles was rejected by a federal appeals court Tuesday morning.

The Court of Appeals for the Second Circuit upheld a judge's 2009 ruling, in a suit brought by taxi fleet owners, that the city's rules amounted to an effort to mandate fuel economy and emissions standards, something that only the federal government is allowed to do.

#### Wind Drives Growing Use of Batteries

The rapid growth of wind farms, whose output is hard to schedule reliably or even predict, has the nation's electricity providers scrambling to develop energy storage to ensure stability and improve profits.

As the wind installations multiply, companies have found themselves dumping energy late at night, adjusting the blades so they do not catch the wind, because there is no demand for the power. And grid operators, accustomed to meeting demand by adjusting supplies, are now struggling to maintain stability as supplies fluctuate.

On the cutting edge of a potential solution is Hawaii, where state officials want 70 percent of energy needs to be met by renewable sources like the wind, sun or biomass by 2030. A major problem is that it is impossible for generators on the islands to export surpluses to neighboring companies or to import power when the wind towers are becalmed.

#### Is the welfare state in terminal decline?

As with cheap oil, we assumed that state services would continue at a certain level for the foreseeable future. Now we are moving into a period where the best of the state's provision may be behind us and, as with our oil reserves, we will be struggling to manage an increasingly scarce resource.

Many people still assume that, once the fallout from the economic crisis has worked through and the economy starts to grow again, things will get back to normal. The concept of the peak state, though, presents a different future.

#### Doomsday shelters making a comeback

Jason Hodge, father of four children from Barstow, Calif., says he's "not paranoid" but he

is concerned, and that's why he bought space in what might be labeled a doomsday shelter.

Hodge bought into the first of a proposed nationwide group of 20 fortified, underground shelters — the Vivos shelter network — that are intended to protect those inside for up to a year from catastrophes such as a nuclear attack, killer asteroids or tsunamis, according to the project's developers.

## Transition Town Star

Rob Hopkins and a group of compatriots decided to help Totnes begin the process of what they call "powering down." Powering down means relocalizing food and energy production, working to transform fossil-fueled behaviors, and increasing the community's capacity to deal with any systemic shocks caused by climate change or disruptions in fuel availability.

And thus the Transition Town movement was born.

## China's Environment Accidents Double as Growth Takes Toll

China, the world's largest polluter, said the number of environmental accidents rose 98 percent in the first six months of the year, as demand for energy and minerals lead to poisoned rivers and oil spills.

"Fast economic development is leading to increasing conflicts with the capacity of the environment to absorb" demands, the environmental protection ministry said in a faxed statement in response to Bloomberg questions.

## Research ship Akademik Fyodorov leaves for 100-day Arctic expeditn

ST. PETERSBURG (Itar-Tass) -- The polar fleet flagship Akademik Fyodorov leaves the port of Arkhangelsk on Wednesday for a 100-day scientific expedition to the Arctic Ocean.

The expedition is launched within the implementation of a major state project, sources at the Arctic and Antarctic Scientific Research Institute told Itar-Tass.

# Spread of Deadly Cryptococcal Disease in U.S. Northwest Linked to Global Warming

A deadly infectious disease once thought to be exclusively tropical has gained a toehold in the Pacific Northwest, and health experts suspect climate change is partially to blame. Last week the CDC issued a report warning U.S. doctors to be alert for patients showing signs of a cryptococcal infection.

Cap and Trade is Dead. Long Live Cap and Trade.

Hard on the heels of the Senate Democratic leadership's decision to put aside climate legislation intended to cap carbon dioxide emissions, another carbon-capping precinct was heard from this week.

#### Debate over China's role in reversing climate change

At the Copenhagen summit, did China sink the chance for an international deal to confront global warming, or merely refuse to be bullied by the United States and Europe? One truth underlined by the Copenhagen failure is that if there is to be a climate change solution it will have to be acceptable to China.

Chinese Consider Setting Coal Production Ceiling by 2015 to Cut Emissions

China, the world's biggest polluter, may impose a cap on the country's coal production by 2015 and enforce energy consumption targets to cut carbon emissions and reduce reliance on fossil fuels.

"There must be a ceiling on coal output in the future, and energy needs can be met with new and renewable energy," Wu Yin, a deputy director at the National Energy Administration, told the official China Energy News weekly newspaper in an interview. Wu didn't specify any production targets.

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