



## Drumbeat: August 2, 2010

Posted by [Leanan](#) on August 2, 2010 - 9:24am

Topic: [Miscellaneous](#)

### [ANALYSIS - Iran sanctions could add to gasoline glut](#)

(Reuters) - The impact of disrupted Iranian fuel supplies following tough new sanctions is likely to hit gasoline markets after the peak summer season and could also stoke volatility on international futures markets.

Volumes of gasoline sailing into Iran in July fell far below the seasonal norm, trade sources said, after the European Union and the United States implemented sanctions specifically targeting Iran's oil and gas industry.

Any refined products it cannot import could be reoffered at discounted rates, dealers said.

/blockquote>

### [Kunstler: Skidding Toward Fall](#)

This economy has a destination for sure, but it's not in the direction where all eyes are trained in moist hopefulness: that glimmering horizon of longed-for growth. You will not get that kind of growth -- the kind that increases the overall wealth of the organism in question. A few people will make more money than they did before, but overall we are in an epic contraction. More people and organizations will go broke than will thrive. It will seem very unfair.

### [Insurance firm agrees to pay \\$20 million ransom for ship](#)

JEDDAH: The owner of Al Nisr Al Saudi ship, which has been hijacked by Somali pirates, said the insurance company has agreed to pay a ransom of \$20 million to win the release of the ship and its 14-member crew — 13 Sri Lankans and a Greek.

### [Huhne and the atom-splitters](#)

CHRIS HUHNE, the Lib Dem energy secretary, was on the Andrew Marr Show on

Sunday, talking about one of the biggest tasks facing the government: what to do about the twin problems of tough carbon-emission targets and the looming crunch in electricity generation (the interview starts from 40 minutes in). Despite his well-known personal distaste for atom-splitting, he stayed resolutely on-message: no technology would be favoured, he said, but all would be welcome, including nuclear power. That means no subsidies or special treatment; investment decisions would be left to markets. The most the government is willing to do is guarantee a minimum carbon price, which should boost all low-carbon technologies equally.

All very admirable, but such talk doesn't go down well with the nuclear men, and there is plenty of lobbying going on behind the scenes to try to water down the government's approach.

### [Could Spot Uranium Prices Reach \\$100/pound?](#)

Energy Guru Bill Powers Forecasts Uranium Shortfall in Three Years. Bill Powers focuses on investment opportunities within the Canadian power sector, mainly independent oil & fuel companies and now uranium firms. We talked with him and he thinks uranium could reach \$100/pound this decade.

### [Bill McKibben & Lester Brown to speak at Warren Wilson College series](#)

Environmental heavy-hitters will speak at Warren Wilson College "Sustainability" speaker series, according to a college announcement: FREE & Open to the Public

### [The fallacy of growth in a finite world](#)

In the short term, growth supports families, relieves social pressures that produce conflict and crime, pays for amenities such as the arts, offers opportunities for entrepreneurs and makes some of us exceedingly wealthy.

But growth is also an addiction. And, like most addictions, it threatens to destroy us. Not only does it clog our freeways, but it also paves farmland, wipes out open spaces, saddles taxpayers with ruinous development costs and crushes the quality of life that attracted us to our communities in the first place. Growth sucks irreplaceable resources out of the earth. It dumps poisonous pollution into our environment. It crowds out the planet's other species and utterly fails to deliver the human happiness it promises.

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### [Oil Climbs to Three-Month High on Outlook for Chinese Growth](#)

Oil rose to the highest level in almost three months as China's economic outlook and advancing equities reassured investors the global recovery is on track.

Crude oil headed toward \$80 a barrel in New York on speculation that China's government will reverse policies aimed at slowing growth in the world's largest energy user. Indexes of Chinese manufacturing dropped to the lowest level in more than a year, two reports showed today. The Shanghai Composite Index gained 1.3 percent. Crude also climbed as the dollar weakened.

### [Hedge Funds Boost Natural Gas Bets First Time in Six Weeks](#)

Hedge funds increased their bets that natural gas prices would rise for the first time in six weeks after hotter-than-normal weather stoked air-conditioning demand.

### [FACTBOX-BP's suit and rebuttals by ex-fuel oil staff](#)

(Reuters) - BP Singapore, a unit of BP Plc (BP.L), filed a lawsuit at the Singapore High Court on July 5 for breach of contract against six former senior staff on its global fuel oil and Asia bunker teams, court documents showed.

In response, the six alleged that the resignations of around 20 staff were due to policy changes and tightening controls on trading that led to their roles being diminished and restricted, while their bonuses were reduced, filings showed.

### [Deutsche Bank Hires Ex-BNP Banker Hayashida to Expand Japan Fuel Hedging](#)

Deutsche Bank AG hired Takashi Hayashida, the former head of commodity sales of BNP Paribas in Tokyo, to meet rising demand from utilities and manufacturers for hedging fuel against price swings.

### [Formosa Seeks to Defer Imports of Crude Oil, Naphtha After Plant Accidents](#)

Formosa Petrochemical Corp., Taiwan's only publicly traded oil refiner, wants to defer some imports of naphtha and sour, or high-sulfur, crude after two accidents at its Mailiao plants last month.

"Our storage tanks are full," spokesman Lin Keh-yen said by telephone in Taipei today, declining to give details.

### [South Korea, U.A.E. to Cooperate on Energy Exploration, Stockpiling of Oil](#)

South Korea and the United Arab Emirates agreed to cooperate on energy exploration and stockpiling of crude oil, deepening ties after the Asian nation won a \$20 billion contract to build nuclear plants in Abu Dhabi.

### [PetroChina to Shut Half of Oil Processing Capacity in Lanzhou to Fix Fault](#)

PetroChina Co., the country's second- biggest oil refiner, plans to shut almost half of the processing capacity of its Lanzhou plant next week to repair a fault at a secondary unit, a refinery official said.

The plant's 3 million metric-ton-a-year catalytic cracker will be closed for about 15 to 20 days from Aug. 10 for repairs, the official said by phone from the refinery, declining to be named because of company rules. The plant will shut its 5 million ton-a-year crude distillation unit accordingly, he said.

### [PetroChina Restores About 10% of Oil Output at Northern Field After Floods](#)

PetroChina Co., the nation's largest oil producer, restored about 10 percent of its daily crude production at Liaohe field in northeastern China after heavy rains shut more than 1,500 wells.

Operations at 150 wells had resumed as of July 29, restoring output of about 500 metric tons a day, parent China National Petroleum Corp. said in its online newsletter today.

### [FACTBOX-Key political risks to watch in Libya](#)

(Reuters) - An unpredictable succession, suspicion of foreign influence, diplomatic rows, policy uncertainty and the lingering threat of social unrest all pose potential risks for investors in oil-producer Libya.

### [FACTBOX-Key political risks to watch in Kazakhstan](#)

(Reuters) - An intensifying succession struggle among Kazakhstan's political elite and the government's increasingly tough stance on foreign companies have fuelled investor concerns in Central Asia's biggest oil producer.

Kazakhstan, the world's largest uranium miner and home to the biggest oil discovery in 40 years, has attracted more than \$100 billion in foreign investment since it gained independence in the breakup of the Soviet Union in 1991.

### [50 pct of gas from Iraq fields for export-official](#)

(Reuters) - Up to 50 percent of gas from three fields Iraq plans to offer for development will be available for export, an Iraqi oil ministry official said on Monday.

Iraq plans to hold an auction on Oct. 1 for the three fields, Akkas in the western desert, Siba in the southern oil hub of Basra, and Mansuriyah in eastern Iraq.

### [A Benchmark of Progress, Electrical Grid Fails Iraqis](#)

From the beginning of the war more than seven years ago, the state of electricity has been one of the most closely watched benchmarks of Iraq's progress, and of the American effort to transform a dictatorship into a democracy.

And yet, as the American combat mission — Operation Iraqi Freedom, in the Pentagon's argot — officially ends this month, Iraq's government still struggles to provide one of the most basic services.

### [Obama to set course for changing Iraq mission](#)

WASHINGTON — President Barack Obama will set a course Monday for the nation's changing mission in Iraq as the military prepares to end its combat operations there.

In a speech at the national convention of the Disabled American Veterans in Atlanta, Obama was to address the progress being made to meet his deadline of drawing down all combat troops by the end of the month.

### [Targeted Killing Is New U.S. Focus in Afghanistan](#)

WASHINGTON — When President Obama announced his new war plan for Afghanistan last year, the centerpiece of the strategy — and a big part of the rationale for sending 30,000 additional troops — was to safeguard the Afghan people, provide them with a competent government and win their allegiance.

Eight months later, that counterinsurgency strategy has shown little success, as demonstrated by the flagging military and civilian operations in Marja and Kandahar and the spread of Taliban influence in other areas of the country.

Instead, what has turned out to work well is an approach American officials have talked much less about: counterterrorism, military-speak for the targeted killings of insurgents from Al Qaeda and the Taliban.

### [Thunderstorms Nearing Caribbean Sea May Develop Into Tropical Depression](#)

A weather system nearing the southeastern Caribbean has a 90 percent chance of strengthening into a tropical depression, the National Hurricane Center said.

### [New Silk Road Built by China Connects Asia to Latin America](#)

The high-speed rail link China Railway Construction Corp. is building in Saudi Arabia doesn't just connect the holy cities of Mecca and Medina. It shows how Asia, the Middle East, Africa and Latin America are holding the world economy together.

### [Gulf crews prepare for 'static kill'](#)

NEW ORLEANS — Engineers on the Gulf of Mexico hoped to begin a plan by Monday evening to shove mud and perhaps cement into the blown-out oil well at the seafloor, making it easier to end the gusher for good.

The only thing keeping millions more gallons of oil out of the Gulf right now is an experimental cap that has held for more than two weeks but was never meant to be permanent.

### [Kuwait denies report BP asked it to raise stake](#)

KUWAIT (Reuters) - Kuwait's sovereign wealth fund said on Monday that BP Plc had not asked it to raise its stake in the company to three percent, denying a local newspaper report.

"The Kuwait Investment Authority did not receive an offer from BP to increase its stake," KIA said in a statement.

### [BP Spill May Cost Gulf Coast Homes \\$56,000 Apiece in Value](#)

Gulf of Mexico coastal homes may lose as much as \$56,000 each in value as buyers shun areas marred by the worst oil spill in U.S. history, according to CoreLogic Inc.

### [Gulf's recovery may rest with marsh grass](#)

“Many of us are much more worried about the marsh than we are about fish and shrimp and all that,” said Denise Reed, a wetlands expert at the University of New Orleans. “If those plants die, they don’t come back. And the marsh is gone.”

### [Green activists out to prevent BP oil drilling off Shetlands](#)

Environmental campaigners today called on the Government to halt BP plans for deep drilling off the Shetland isles in the wake of the Gulf of Mexico oil disaster.

The oil giant wants to drill to depths of 4,265 feet in a field 60 miles west of the islands, and the operation is due to begin in October subject to government approval.

Greenpeace is calling for a moratorium on deep sea drilling like that imposed in the US - a measure that ministers have so far ruled out.

### [Garbage islands threaten Three Gorges Dam](#)

BEIJING — Thousands of tons of garbage washed down by recent torrential rain are threatening to jam the locks of China's massive Three Gorges Dam, and is in places so thick people can stand on it, state media said on Monday.

Chen Lei, a senior official at the China Three Gorges Corporation, told the China Daily that more than 3,000 tons of trash was being collected at the dam every day, but there was still not enough manpower to clean it all up.

### [India's Three Biggest State Oil Refiners Seek One Year of Ethanol Supplies](#)

India’s three biggest state-owned refiners are seeking one year’s supply of ethanol, used in the production of cleaner-burning transport fuels.

Indian Oil Corp., Bharat Petroleum Corp., and Hindustan Petroleum Corp. want to arrange cargoes for 12 months starting Sept. 1 of ethanol produced from biomass, including sugarcane, corn, cassava, bagasse and other agricultural waste, according to an advertisement in today’s Economic Times.

### [Uranium Looking Bullish Again?](#)

In addition to finite Cold War supply, uranium has its own version of the “peak oil” profile. Virtually all the cheap and easy uranium deposits have been tapped. As with crude, what’s left are the hard and dangerous deposits located in politically unstable parts of the world, like Kazakhstan and Niger. This is another factor that could push uranium prices higher.

### [Turbines Too Loud? Here, Take \\$5,000](#)

IONE, Ore. — Residents of the remote high-desert hills near here have had an unusual visitor recently, a fixer working out the kinks in clean energy.

Patricia Pilz of Caithness Energy, a big company from New York that is helping make this part of Eastern Oregon one of the fastest-growing wind power regions in the country, is making a tempting offer: sign a waiver saying you will not complain about excessive noise from the turning turbines — the whoosh, whoosh, whoosh of the future, advocates say — and she will cut you a check for \$5,000.

### [State Senate campaign heats up over solar power](#)

WASHINGTON — Senate Majority Leader Harry Reid offered a narrowly focused energy bill for debate last week that left solar power advocates on the sidelines. The issue, however, remains a hot topic in California's competitive Senate race.

Sen. Barbara Boxer and her Republican challenger, Carly Fiorina, say they support expansion of California's solar and wind energy industry and the jobs it would create, but they offer sharply contrasting views on how to get there.

### [For Pocono, Solar Power and Safety Improvements](#)

Pocono Raceway, carved out of a former asparagus farm 40 years ago, became what it says is the world’s largest solar-powered sports facility.

### [Policymakers recognise peak oil threat, now they need to deal with it](#)

Most officials in both Europe and the UK still believe peak oil is a problem the markets will solve. That's a dangerous game to play with our energy supplies.

### [GE and EDF Partner on “Treasure Hunts” to Improve Energy Efficiency](#)

As many energy experts wring their hands and fret over peak oil or debating the



scalability of alternative forms of energy, estimates suggest that Americans can reduce their energy consumption between 20 and 25% by adopting cost-effective energy efficiency methods alone.

### [The Land that Feeds](#)

GREENWICH, NS—A proposal to rezone 380 acres of active farmland in the hamlet of Greenwich, Kings County, has raised public concern over food security, cultural history, and sustainable community-planning in Nova Scotia's fertile Annapolis Valley.

### [The Rational Optimist: How Prosperity Evolves](#)

A richly detailed, engrossingly readable history of how Britain came to be the way it is, *Turned Out Nice* is also a riveting description of what Britain is likely to become. The future Kohn presents is robustly grounded in science, and disturbing. Increased risk of flooding in London and other cities, peak summer temperatures in the capital nearly 7°C hotter than they were in 2000 and inequalities widening further as environmental migrants end up in an expanded servant class - these are only a few of the unsettling changes he anticipates.

The global picture is no less discomfiting. As Kohn writes, "The standard scenarios all confidently expect that wealth will grow along with warmth." In reality, economic development has never been smooth. The growth of wealth has been disrupted regularly by war and revolution, and the rapid recovery that occurred after many 20th-century conflicts will be harder to achieve in a world of accelerating climate change. The conventional wisdom expects that the population will level off around nine billion as a result of higher living standards spread by globalisation. Kohn points to another scenario, in which industrialisation continues while globalisation goes into reverse. In a world of this kind, living standards will rise more unevenly and human numbers will increase to roughly 15 billion.

### [Is biochar the answer for ag?](#)

Scientists demonstrate that biochar, a type charcoal applied to soils in order to capture and store carbon, can reduce emissions of nitrous oxide, a potent greenhouse gas, and inorganic nitrogen runoff from agriculture settings. The finding will help develop strategies and technologies to reduce soil nitrous oxide emissions and reduce agriculture's influence on climate change.

### [Figueres Urges Smaller Steps on Climate Change as UN Warming Talks Resume](#)

Costa Rica's Christiana Figueres took charge of United Nations climate talks, calling on nations to do the "politically possible" and take smaller steps rather than striving for an

all-encompassing deal to halt global warming.

### [George Shultz challenges California to lead](#)

Former U.S. secretary of State George P. Shultz believes it's crucial to fight global warming to protect national security.

Global warming is created by burning fossil fuel, he says, and payments for foreign oil sometimes wind up financing terrorism.

And Shultz, who's also a former Treasury secretary, thinks the nation suffers an "economic vulnerability" because of its oil addiction.

### [Energy reform needs a voice](#)

Americans live in an at-worst economy, and the environment will surely take a back seat to concerns about jobs, taxes and other aspects of everyone's financial security. On top of that, those who oppose a cap on emissions have spread an extraordinary amount of hype about the costs of ratcheting back on carbon dioxide, warning that any change would blow yet another hole in most families' well-being. What such fear-mongers neglect to explain is that a carbon-based future looks even more expensive.

For now, Congress could redeem itself by passing strong energy-efficiency measures: helping businesses and households to insulate, upgrade electrical systems and lights, and replace appliances, for example. There are still huge gains to be made in what are known as nega-watts -- removing demand bit by bit from the electrical grid.

### [Hacking Earth against warming, scientists favor fake volcanoes](#)

One popular geoengineering scenario is to create an artificial volcano. Thomas Wigley, an expert on climate change based at the National Center for Atmospheric Research in Boulder, Colo., has created computer simulations that replicate the 1991 "Mount Pinatubo effect" -- a temporary cooling period created by the launch of 20 million tons of sulfur dioxide into the stratosphere.

### [Climatologist sees disastrous weather in future](#)

"Most Americans believe that we will not take steps to fix climate change until after it has begun to harm us personally," she writes. "Unfortunately, by that point it will be too late. The climate system has time lags. ... So, by the time you see it in the weather on a daily basis, it's too late to fix ..."

Her book, "The Weather of the Future," uses a broad itinerary to illustrate the threats

she perceives. It predicts more frequent and more violent storms, more hot spells, cold spells, droughts, famines and huge waves of desperate refugees.



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